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District of Arizona*

FOR IMMEDIATE RELEASE  
Monday, April 24, 2006

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## **GILBERT MAN SENTENCED TO 8 YEARS IN PRISON, FINED \$25,000 ON FRAUD CHARGES**

PHOENIX - Harvey L. Sloniker, Jr., 37, of Gilbert, Ariz. was sentenced here today to 96 months in prison by U.S. District Court Judge Frederick J. Martone after Sloniker pleaded guilty on January 11, 2006 to Wire Fraud, Conspiracy to Commit Loan Fraud and Failure to Pay Taxes. Sloniker was also ordered to pay \$365,343.23 in restitution to victims of his financial scheme and to pay a \$25,000 fine to the U.S. Postal Inspection Service Consumer Fraud Awareness Fund.

In sentencing Sloniker today, Judge Martone indicated that Sloniker's financial scheme was "evil and harmed large numbers of people." Sloniker was originally indicted by a federal grand jury in August 2004 on 73 charges pertaining to various types of fraud during which 57,000 victims were defrauded out of approximately \$5,000,000. After serving his prison sentence, Sloniker will be on supervised release for three years during which he is ordered to perform 60 hours of community service, participate in a substance abuse treatment, take a course in ethics and refrain from working in telemarketing.

Sloniker admitted to operating telemarketing boiler rooms at various locations in the Phoenix area between August 2001 and July 2002. He obtained leads of consumers with deficient credit, including many elderly consumers, and employed telephone sales representatives to call consumers on the lead lists. Consumers believed that they were going to receive a major credit card, usable anywhere major credit cards are accepted, in exchange for a one-time processing fee of approximately \$239. In reality the consumers received a catalog and a card that allowed the consumers to partially charge a limited range of merchandise.

U.S. Attorney Paul K. Charlton said of today's sentencing, "This is a just sentence for an unjust act that brought harm to victims who had bad credit, were elderly or hoped to use the promised credit card to pay for medical care expenses. This defendant took advantage of those most vulnerable to financial fraud."

"FBI agents, along with many of our partners such as the IRS, U.S. Postal Service, and Phoenix Police Department, investigate thousands of money-making scams every day," said Keith Bennett, Acting Special Agent of the FBI, Phoenix Division. "We want the public to be aware of scams such as this advance fee credit card scheme; legitimate businesses do not operate in this manner."

"This case sends a very important message to would-be scam artists, "Mail Fraud will not be tolerated. Fraudsters will pay the price if they choose to use the U.S. Mail to further their crime," said Shawn Tiller, Assistant Inspector in Charge for the Phoenix Field Office of the U.S. Postal Inspection Service.

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Between March 2000 through June 2002, Sloniker overstated his income on bank loan applications in order to obtain loans and failed to pay over \$97,461.74 in withheld employee taxes to the Internal Revenue Service.

Also indicted with Sloniker was John Desiderio, 39, of Chandler, Ariz. who will be sentenced on Tuesday, April 25, 2006 at 9:00 a.m. and Tye Sloniker, 29; Kindy Jonagan, 38; and Robert Shinn, 47, all of Gilbert, Ariz.; and Richard Nail, 33, of Melbourne, Fla., who will be sentenced later this year.

The investigation preceding the indictment was conducted by the Arizona Telemarketing Fraud Task Force which includes special agents from the FBI, the Internal Revenue Service Criminal Investigation Division and the U.S. Postal Inspection Service. The prosecution was handled by Rachel Hernandez and Gary Restaino, Assistant U.S. Attorneys, District of Arizona, Phoenix.

CASE NUMBER: CR-04-820-PHX-FJM  
RELEASE NUMBER: 2006-058(Sloniker)

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